

Message Text

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ACTION AF-04

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FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC PRIORITY 6408

C O N F I D E N T I A L ABIDJAN 11042

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LIMDIS

FOR AF/W JIM BISHOP FROM AMBASSADOR

E.O. 11652: GDS

TAGS: EAID: AORG

SUB: RENEWAL OF CONTRACT BETWEEN ROBERT MINGES AND ENTENTE
GUARANTY FUND

REF: STATE 292587, ABIDJAN 10814

1. SUMMARY: I AM VERY MUCH CONCERNED BY WHAT AID/W AND
REDSO ARD PROPOSING TO DO ABOUT ONE-YEAR RENEWAL OF ROBERT
MINGES' CONTRACT WITH ENTENTE GUARANTY FUND WHICH SHOULD
BEGIN JAN 1. PROPOSAL APPEARS TO ME TO REDUCE MINGES'
INCOME BY \$6,000 BWLOW HIS CURRENT SALARY. ON POSSIBLE CON-
FLICT OF INTEREST BY MINGES WHILE SECONDED FROM AID TO ENTENTE
FUND, WHERE I UNDERSTAND AID IS REQUIRED TO REPORT TO DEPART-
MENT OF JUSTICE, I CONSIDER IT IMPORTANT THAT THIS NOT HOLD
UP CONTRACT RENEWAL WHICH WOULD PRECLUDE MINGES' FUNCTIONING
WITH ENTENTE FUND WHILE AWAITING JUSTICE'S REPOSE. IN
BOTH INSTANCES, WHEN PAUL KAYA, ADMINISTRATIVE SECRETARY OF
ENTENTE FUND, IS ADVISED OF THESE PROBLEMS--AT THIS LATE DATE
--HE IS GOING TO HAVE JUST CAUSE FOR FURTHER IRRITATION OVER
HIS RELATIONS WITH USG AND TO QUESTION WHETHER THERE IS ANY
BENEFIT TO HIM AT ALL IN HAVING AN AMERICAN GOVERNMENT OR
EX-GOVERNMENT EMPLOYEE ON HIS STAFF. IN VIEW OF SUBSTANTIAL
AID FUNDS GOING TO ENTENTE, I BELIEVE AND I AM SURE AID
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BELIVES THAT HAVING AN EXPERIENCED AMERICAN AID OFFICIAL

ON THE NETENTE STAFF IS IMPORTANT. I WAS NOT CONSULTED ON THESE MATTERS BY REDSO AND ONLY LEARNED OF THEM BY CHANCE JUST BEFORE CHRISTMAS AND AFTER MINGES HAD DEPARTED ON HOME LEAVE AND WEDEMAN ON ANNUAL LEAVE. MINGES IS EXPECTED TO VISIT AID/W ON JANUARY 5, SO THAT RAPID ACTION IS REQUIRED. WEDEMAN IS OUT OF ABIDJAN AND I AM UNABLE TO REACH HIM TO DISCUSS THIS: HE RETURNS ON JANUARY 3. AT AID/W'S REQUEST, KAYA HAS NOT BEEN INFORMED. END SUMMARY.

2. IN BRIEF, ON REMUNERATION MATTER: MINGES' ORIGINAL CONTRACT IN FALL OF 1971, WHILE HE WAS STILL AID EMPLOYEE AND WAS BEING SECONDED TO FUND, WAS AGREED ON AS \$37,800 FOR THE FIRST YEAR WITH AN ADDITIONAL 5 PER CENT (BRINGING IT TO \$39,690) FOR THE SECOND YEAR. THE 5 PER CENT INCREASE PER YEAR CONTINUED TO BE BUILT IN ON ASSUMPTION USG SALARIES WOULD ALSO GO UP APPROXIMATELY 5 PER CENT PER YEAR. IN ADDITION HE WAS TO RECEIVE 15 PER CENT POST DIFFERENTIAL AND POST ALLOWANCE EQUIVALENT TO THAT FOR OTHER AID OFFICIALS OF HIS GRADE IN ABIDJAN. MINGES RETIRED IN FALL OF 1974 BUT HIS CONTRACT WITH ENTENTE WAS EXTENDED TO DEC 31, 1975 ON SAME BASIS. FOR CY 1975, THEREFORE, HE HAS RECEIVED BASE SALARY OF \$45,945 PLUS 15 PER CENT PLUS COL OF \$4,885 FOR TOTAL OF \$57,821. ANOTHER EXTENSION TO DEC 31, 1976, WAS APPROVED IN PRINCIPLE BY SHEAR, ARF/CWR, IN MAY 1975 AND THE ENTENTE FUND OFFERED NEW CONTRACT EXTENSION TO MINGES IN AUGUST (SUBJECT TO AID/W APPROVAL). THIS WOULD PROVIDE NO FURTHER 5 PER CENT INCREMENT BUT WOULD INCREASE COL BY ABOUT \$3,400 TO BRING IT IN LINE WITH STATE DEPARTMENT SCALE FOR AMERICAN BUSINESSMEN WORKING OVERSEAS, IN LIEU OF DUTY-FREE IMPORT PRIVILEGES, ETC, THAT MINGES LOST WHEN HE RETIRED FROM AID, TO A TOTAL REMUNERATION OF \$61,276.

3. BY CONTRACTS, AID IS NOW PROPOSING THAT MINGES' BASE SALARY BE BROUGHT BACK DOWN TO ORIGINAL \$37,800, THEREBY ALSO REDUCING VALUE OF 15 PER CENT DIFFERENTIAL, BUT ACCEPTING LARGER COL FIGURE, FOR A TOTAL INCOME OF \$51,810.

4. WHILE I AGREE THAT MINGES' REMUNERATION IS VERY HIGH, PARTICULARLY SINCE A LARGE PORTION IS TAX FREE, TO BE TOLD ON JAN 5 THAT ONE'S REMUNERATION HAS BEEN REDUCED BY \$6,000
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FOR THE YEAR WHICH BEGAN ON JAN 1, AFTER ASSUMING FROM AT LEAST AUG 1975 ONWARD THAT IN FACT ONE WOULD BE EARNING \$3,400 MORE IN THE COMING YEAR IS, TO SAY THE LEAST, UNJUST. IT SEEMS TO ME THAT AID IS MORALLY OBLIGATED TO GO AHEAD WITH THE \$57,821 LEVEL AND MAKE CLEAR THAT IT HAS TO CUT BACK AFTER CY 1976, GIVING MINGES THE OPPORTUNITY TO DECIDE WHETHER OR NOT HE WISHES TO REMAIN ON THE JOB THEREAFTER. AID SUGGESTION THAT THE ENTENTE FUND MAKE UP THE DIFFERENCE IS EQUALLY UNTENABLE,

SINCE PRESUMABLY THE ENTENTE FUND HAS ALREADY BUDGETED ITS ADMINISTRATIVE EXPENSES FOR CY 1976 AND WOULD BE VERY RELUCTANT AND RESENTFUL TO ADD ANOTHER \$6,000 TO \$9,400.

5. ON CONFLICT OF INTEREST ISSUE, FILES AVAILABLE HERE SHOW A MEMO OF OCT 19, 1971, FROM EDWARD A. DRAGON, AID/GC, TO MINGES, WITH COPIES TO JOHN ROXBOROUGH, REGIONAL LEGAL ADVISOR, ABIDJAN; TO FRED HAHNE, AFR/MDT, AND TO OTHERS, SETTING FORTH DRAFON'S JUDGEMENT ON THE CONFLICT OF INTEREST LIMITATIONS TO BE PLACED ON MINGES WHILE SERVING WITH ENTENTE FUND SECONDED FROM AID. THERE IS NO RECORD THAT THIS MEMO WAS EVER DISCUSSED IN ABIDJAN WITH MINGES, NOR WITH KAYA. YET PRESUMABLY MINGES PARTICIPATED IN PREPARATION OF AID/ENTENTE AGREEMENT FROM SOON AFTER HE ARRIVED ABIDJAN RIGHT UP TO TIME HE RETIRED FROM AID, AS WELL AS THEREAFTER. WHEN THIS ISSUE IS PRESENTED TO JUSTICE, THEREFORE, THERE MAY WELL BE A QUESTION OF WHY AID REPRESENTATIVES DID NOT PRECLUDE MINGES FROM NEGOTIATIONS ON AID AGREEMENTS. THIS COULD LEAD TO LONG DELAY IN GETTING JUSTICE'S POSITION.

6. ACTION REQUESTED: THAT YOU GO INTO THIS MATTER IN DETAIL WITH AFR AND GC PRIOR TO THEIR MEETING WITH MINGES ON JANUARY 5, WITH A VIEW TO: A) OBJECTIVE TREATMENT FOR MINGES; B) AVOIDING AGGRAVATION OF AID/ENTENTE RELATIONSHIPS; AND C) PRESERVING CONCERN OF SECONDED OR EX-AID MAN SERVING WITH ENTENTE FUND. WHILE ASSISTANT ADMINISTRATOR SCOTT IS GENERALLY AWARE OF ISSUE, PRINCIPAL AIS/W NEGOTIATORS IN DISCUSSION HERE ON DEC 17 WERE DAVID SHEAR AND HUGH DWELLEY, DIRECTOR, AID CONTRACT OFFICE.
SMITH

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